

## **EXHIBIT 28**

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## Vehicle Sales Fell by 10% Last Month

By NICK BUNKLEY

DETROIT — Sales of cars and trucks in the United States fell 10 percent in February as oil prices climbed past \$100 a barrel and worries about a recession rattled consumer confidence.

Honda was the only major automaker that sold more vehicles last month than in February 2007, though the increase was just 0.7 percent. The Detroit Three, whose lineups are still heavy in sport utility vehicles and pickup trucks despite their introduction of new passenger cars and crossovers, each reported double-digit percentage declines when adjusted for one additional selling day this year.

Sales of light trucks plunged 26 percent at Chrysler and 23 percent at General Motors, according to the Autodata Corporation, which tracks industry statistics.

The carmakers largely blame the housing slump for the lackluster demand, particularly for the pickups used by building contractors, but steadily rising gas prices are yet another concern.

“I think \$3 seems to be the invisible barrier that makes a difference,” said Steven J. Landry, Chrysler’s executive vice president for North American sales. Chrysler is owned by Cerberus Capital Management.

Americans were paying an average of \$3.165 for a gallon of regular gas Monday, 69.8 cents more than a year ago, according to the AAA motor club. That increase adds more than \$18 to the cost of a full tank for a Ford F-150 or Chevrolet Tahoe.

Gas prices typically rise in the spring, and analysts say that \$4 a gallon is possible within months.

The Ford Motor Company said it was cutting second-quarter production by 10 percent from the period in 2007, and G.M. reduced its second-quarter production forecast by 5 percent.

“We’re in the midst of consumers rethinking what kind of vehicle they truly need,” said Jesse Toprak, director of industry analysis at Edmunds.com, a Web site that gives car-buying advice

to consumers.

For many people, that means driving a smaller car off the dealership lot than they have in the past. And for automakers, that means considerably less income, because small cars have much smaller price tags. In contrast, a big truck could generate as much as \$10,000 in profits.

“Small cars are hot, but the profits are very thin,” said Ron Pinelli, the president of Autodata. “The pickup trucks and the large utes, this was the bread and butter for Detroit. That was a money pump for them.”

The Detroit automakers have introduced several small cars recently that are proving popular. Last month, Ford dealerships sold 36 percent more of the Focus, a compact sedan that was redesigned for 2008, though much of that increase was offset by an intentional reduction in deliveries to rental car companies. Sales of the compact Chevrolet Cobalt rose 50 percent.

But selling thousands more of those cars brings in only as much money as a few hundred more pickups could.

Over all, Ford was the only Detroit company that did not lose market share in February, staying flat at 15.7 percent. G.M.’s share fell to 22.7 percent, from 24.4 percent, and Chrysler’s fell to 12.8 percent, from 13.9 percent.

All three Japanese carmakers gained market share. But Toyota’s sales were lower for a second month, a sign of how much the market has deteriorated.

“When there’s a downturn in the economy and people are nervous about their jobs, the last thing they want to do is make a big purchase,” Mr. Pinelli said.

Last month, Carlos Ghosn, the chief executive of Nissan, said he believed that the United States car market was in recession even if the broader economy was not. Mark LaNeve, G.M.’s vice president for North American sales and marketing, said on Monday that even talk about a recession can deter car shoppers.

“The discussion of, ‘We’re in a recession,’ ‘We might be in a recession,’ ‘When are we going in a recession?’ — I think that that hurts consumer confidence,” Mr. LaNeve said. “I’d almost like to say, ‘Hey, we were in one in the fourth quarter, and when are we going to get out of it?’ I think it’s better in terms of consumer mind-set in buying new vehicles.”

Mr. LaNeve said sales had not been affected by a weeklong strike at one of its biggest parts suppliers, which has forced G.M. to halt production at six factories. G.M. idled another plant,

in Moraine, Ohio, on Monday after running out of parts for three sport utility vehicles built there. A Hummer plant in Mishawaka, Ind., operated by AM General is scheduled to shut down Tuesday.

G.M. temporarily closed four of its five pickup plants last week as a result of the strike by 3,650 members of the United Automobile Workers union at American Axle and Manufacturing.

No talks have occurred since the strike began Feb. 26. G.M. has about five months' worth of its pickup trucks in inventory.

"It'll be a long time before we run out of pickups to sell," Mr. LaNeve said. "We are in great shape for 60 to 90 days easy on our full-size pickups."

Chrysler said it had enough minivans for the time being, even though the plant in Windsor, Ontario, that builds them had to close last week because of another supplier strike.

Operating Officer for G.M.

DETROIT (AP) — The General Motors Corporation said Monday that its board had elected its vice chairman and chief financial officer, Frederick A. Henderson, to the post of president and chief operating officer.

Mr. Henderson's financial duties will be taken over by Ray Young, who will become executive vice president and chief financial officer.

G.M. said it previously had a chief operating officer position, and it was now time to re-establish the post.

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